



SHOW NOTES | S4 Ep6

Retail Media | The New Frontier

INTRODUCTION

The sixth, and final, episode of our mini-series is titled, **Retail Media**. We discuss this new frontier. These brand or company-specific networks allow a brand to create media experiences across the customer journey (online and offline) while creating an entirely new high margin revenue stream via advertising.

INDUSTRY UPDATES | *Our New Segment*

This is our new segment for Season 4. We highlight and discuss recent retail-related news.

- **Store Closings:**
 - [OUTDOOR VOICES](#) (paywall)
 - [PIRCH](#)
- **Bankruptcy Updates:**
 - [.99cent ONLY](#) stores are closing. They've filed for bankruptcy and going out of business. They're blaming shoplifting and inflation. I'd add poor management, poor strategic decisions and poor store experiences.
 - [FAMILY DOLLAR](#) (Here's the [link](#) to the related story we referenced about a rat infestation at a Family Dollar store)
 - [JOANN](#)
 - KROGER & ALBERTSONS commentary by Cristine relates to [this](#) article
- Articles referenced in our conversation about Brandy Melville are [here](#), [here](#) and [here](#)
- Sustainability conversation regarding [Ulta](#), [Sephora](#) and [REI](#)
- BNPL: We referenced [this](#) article and [this](#) one and [this](#) one specific to Walmart.

THE CONVERSATION

We jumped right into the heart of the topic by referencing an article Jeff shared with Cristene on yet another new Retail media Network - [SAKS Fifth Avenue](#). Cristene discussed that Saks has a very affluent set of clients, including some perhaps aspirationally affluent. So, if I'm Lexus, or BMW or Audi, and my regular media opportunities are drying up, being atop the SFA website might not be a bad fit. The challenge is, as the media landscape shifts around us, getting messages to consumers - relevant consumers - in relevant places - becomes harder. You need locations and content.

Walmart recently purchased Vizio. Why? As [CNN](#) reported, "Vizio's Smart TV operating system, SmartCast, has more than 18 million active accounts. The deal would give Walmart more ways to offer ads through Vizio televisions, as well as create entertainment options exclusively for customers with Vizio TVs."

Jeff spoke about the rise of in-store media networks and screens. When shoppers see screens in the endcaps of their local market, it's clear change has gone beyond the phone screen. According to [eConsultancy in March](#), Tesco has been equipping its stores with 1,800 in-store screens across 420 stores, up from 400 screens the previous March.

Jeff commented that he finds the in-store interaction to be among the most valuable for retail media networks. First, it connects all the experiences for the customer. Second, it's easy and connection -



you can have the product right next to you. And third, it closes some of the gaping holes in the shopper experience.

Cristene referenced the [IBM IBV's latest report for retail](#): the In-Store Experience Lacks Luster: Despite a preference for physical stores by 73% of those surveyed, only 9% are satisfied with the in-store experience.

At this point in the discussion, we took a step back and defined Retail Media Networks. Cristene shared that Retail media is marketing to consumers at or near their point of purchase, or point of choice between competing brands or products. Common techniques include in-store advertising, online advertising, sampling, loyalty cards and coupons or vouchers.

Substantial growth is driven by several factors, use of digital platforms by consumers and the high profitability of retail media operations, which offer over 50% margins compared to traditional retail ([Bain](#)). The evolution of retail media networks involves significant strategic, organizational, and technological changes, underscoring the necessity for retail companies to adapt to remain competitive in this rapidly expanding market (Bain).

This is a place where ubiquitous screens leads to everything being an advertising opportunity - some much better than others. Amazon making already dense pages on their site even more dense certainly allows them a chance to capture revenue, even if they're taking you offsite, but more often than not, it's simply a redirect to another area of their ecomm platform.

Jeff referenced the Interactive Advertising Board (IAB) launched a working group around in-store in particular, building off of their [January report](#). "Physical stores represent the next major media channel for brands, with leading omnichannel retailers experiencing 70% larger in-store audiences compared to digital," said Andrew Lipsman, independent analyst at Media, Ads +Commerce.

Cristene shared a gripe that we view it as another revenue stream as opposed to a better path to customer interaction and longer term engagement. This can be a powerful loyalty approach. If you blend your tech, and add mechanisms of measurement in experience - for instance a QR code to take you to a recipe, a link that allow you to view custom content later, a folder where you can store your interesting ideas (such as outfits and color swatches), this to me is the real promise.

Jeff shared some statistics from [Tinuiti](#) regarding Walmart, Target Roundel, Kroger, Albertsons, Home Depot and others.

Cristene ended the conversation with a dive into the Retail Media Tech Stack. A DSP, a demand-side platform, allows an advertiser to buy digital ad space and manage advertising campaigns. Through retail media networks, advertisers can place programmatic ads.

Retail media networks are typically managed by the retailers themselves but can be managed by third parties. A fair amount of data science and AI is being baked in to allow more specific targeting by geo, store level, related queries and search. Companies like Criteo bring predictive bidding (shopper valuation), recommendations and a shopper graph (think extended profiling) alongside trend data, ad formats and other hyper-usable tools into a common platform. PromoteIQ is the Microsoft bundle of services - and the one I'd expect to have the strongest AI toolkit over time. Integrated video, ratings and other features are generated from component vendors when not baked



into platforms. The challenge for buyers is whether to go native or use an agency who can deal with the sizes and formats, tagging, metadata, and a host of data and details.

We're confident RMNs are here to stay and we'll keep an eye out for updates.

HEROES & CHANGE MAKERS

Cristene selected [Christina Tosi](#) of MILK BAR.

Jeff selected [UNCRATE](#), the leading - if not the best - buyer's guide for men.

Let's go shopping!

This is **RETAIL DONE RIGHT**.

- [Michael Cooke](#) via Upwork is our brilliant sound engineer and editor - and [Jade Siriswad](#) composed our theme music.
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RETAIL DONE RIGHT is produced, written and hosted by [Jeff Fisher](#) & [Cristene Gonzalez-Wertz](#)